

Vermont Health Connect

Small Business Presentation

September 11, 2013

TODAY'S PRESENTATION



- Overview
- About the Plans
- Eligibility for Small Businesses and their Employees
- Small Business Considerations
- Small Business Enrollment Process
- Additional Support

OUR MISSION



Our mission is to provide all Vermonters with the knowledge and tools needed to easily compare and choose a quality, affordable, and comprehensive health plan.

VERMONT HEALTH REFORM GOALS



TIMELINE



TODAY – SEPTEMBER 2013

Design of Vermont Health Connect is underway. Updates and information will be available on VermontHealthConnect.gov.

OCTOBER 1, 2013 – MARCH 31, 2014

The first “open enrollment” period when Vermonters can compare plans and select the one that fits their needs and budget.

JANUARY 1, 2014

Health coverage begins for plans purchased through Vermont Health Connect. Starting on this date, Vermont Health Connect will be the only place where individuals and small businesses can get health insurance.

AFFORDABLE CARE ACT CHANGES TO THE INSURANCE MARKET



- Plans must offer 10 categories of essential health benefits
- Individual mandate
- Medicaid expansion
- Guaranteed issue for pre-existing conditions
- Navigator Program
- Tax credits & out of pocket expenditure limits
- Coverage on parents' plan until age 26
- Co-pay free preventive care
- Consumer rebates

VT CHANGES TO THE INSURANCE MARKET



- Insurance plans offered to individuals and small businesses in 2014 will only be available within Vermont Health Connect
- Define small group at 50 full-time employees or fewer (2014-2015)
- Individual and small group markets merged
- Specified role for brokers

WHERE WILL ENROLLEES COME FROM?



VHAP and Catamount will end on 12/31/13. Based on their income, Vermonters in these programs will transition to either Medicaid or a private plan where they will be eligible for financial help.

THROUGH VHC, VERMONTERS WILL:

1

Compare health insurance options

2

Enroll in a health plan

3

Secure financial help to pay for care



Find the plan that's right for you.

About the Plans

STANDARDIZED COVERAGE

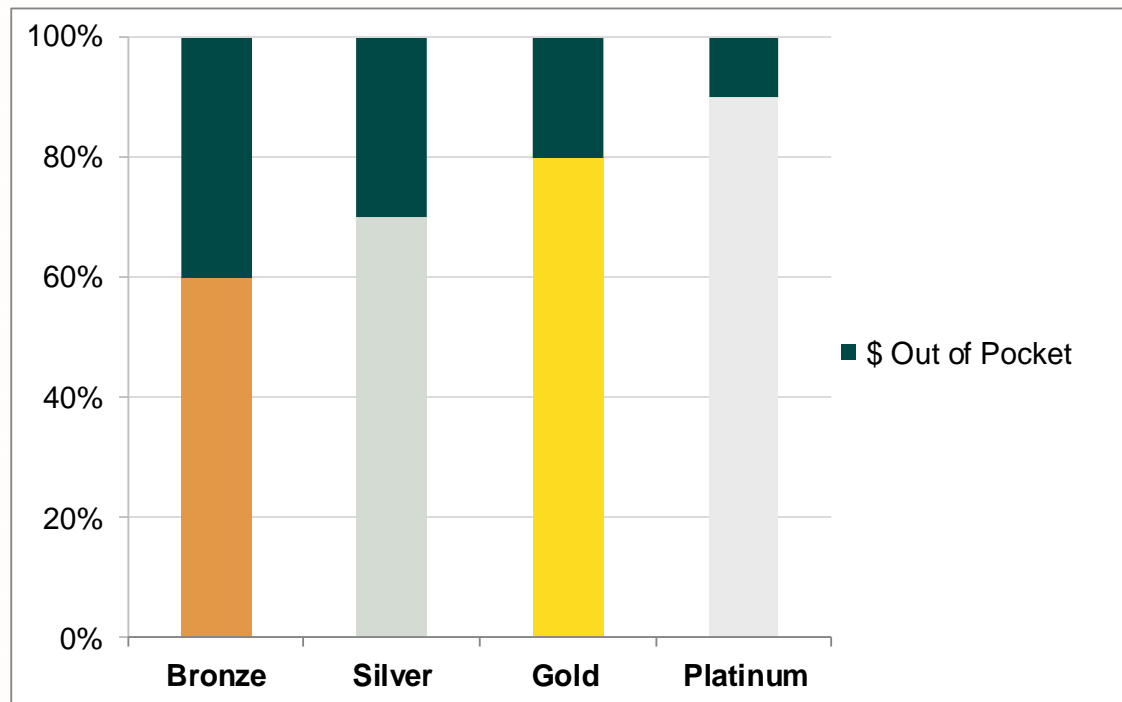
All of the plans offered through Vermont Health Connect will cover doctor visits, hospital stays, preventive care, and prescription coverage – so there's no guesswork about what's covered.

- All plans will cover:
 - Ambulatory patient services
 - Emergency services
 - Prescription drugs
 - Rehabilitative and habilitative services and chronic disease management
 - Hospitalization
 - Maternity and newborn care
 - Mental health and substance use disorder services, including services behavioral health treatment
 - Laboratory services
 - Preventive and wellness
 - Pediatric services, including oral and vision care

ABOUT THE PLANS

Qualified Health Plans (QHPs) will be available based on the following “metal levels”:

- Bronze
- Silver
- Gold
- Platinum
- Catastrophic*



*Only available to people who either 1) are under 30 or 2) have limited incomes

ABOUT THE PLANS



- Plan details can be viewed on VermontHealthConnect.gov
 - Twelve standard plans (six from BCBSVT and six from MVP)
 - Six non-standard plans
 - Stand-alone dental plans
 - Catastrophic plans (for individuals under 30 years old)
- How do the carriers' plans differ?
 - Non-standard plans
 - Networks
 - Allowed amounts
 - Preventive lists
 - Preferred prescription lists - See [MVP](#) and [BCBS](#) websites



Find the plan that's right for you.

Eligibility for Small Businesses and their Employees

ELIGIBLE SMALL BUSINESSES

- Employ 50 or fewer full-time employees on average during the previous calendar year whose:
 - Principal place of business is in Vermont regardless of where employees live; or
 - Out-of-state employers whose workers are principally employed in Vermont.
- If a small business grows beyond 50 full-time employees during 2014, the business is allowed to remain on Vermont Health Connect in 2015.

COUNTING FULL-TIME EMPLOYEES

- Work 30 or more hours/week
- All employees of entities under common control
- Does not include: part-time or seasonal employees*, those working abroad, and business owner
- Sole proprietorships: A business must have at least one common law employee to shop for small business coverage on VHC. An employee does not include a sole proprietor or the sole proprietor's spouse.
- How an owner is counted:
 - C Corporation: employee
 - S Corporation: not an employee

*Seasonal employees are employees who work fewer than 120 days during the year.



BUSINESSES WITH SITES IN MULTIPLE STATES



- The business has choices:
 - Purchase insurance for all employees in the state where their principal place of business is located
 - Purchase a plan in each state where employees work
- Count all full-time employees regardless of the site to determine eligibility to purchase on Vermont Health Connect

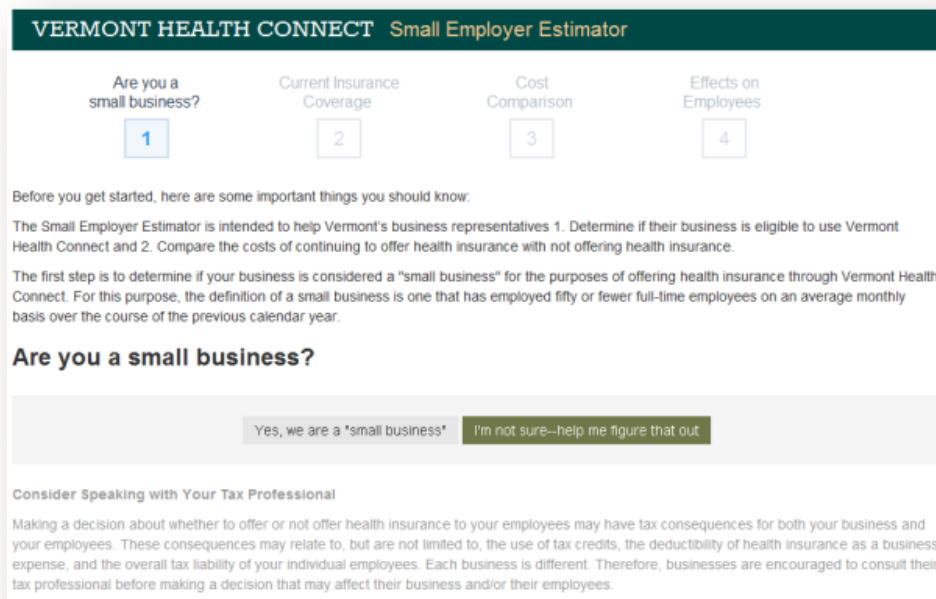


Find the plan that's right for you.

Small Business Considerations

EMPLOYER DECISIONS

- The decision to offer health insurance varies from business to business
- Vermont Health Connect has resources available to help businesses who are considering whether to offer coverage



VERMONT HEALTH CONNECT Small Employer Estimator

Are you a small business? **1** Current Insurance Coverage **2** Cost Comparison **3** Effects on Employees **4**

Before you get started, here are some important things you should know:

The Small Employer Estimator is intended to help Vermont's business representatives 1. Determine if their business is eligible to use Vermont Health Connect and 2. Compare the costs of continuing to offer health insurance with not offering health insurance.

The first step is to determine if your business is considered a "small business" for the purposes of offering health insurance through Vermont Health Connect. For this purpose, the definition of a small business is one that has employed fifty or fewer full-time employees on an average monthly basis over the course of the previous calendar year.

Are you a small business?

Consider Speaking with Your Tax Professional

Making a decision about whether to offer or not offer health insurance to your employees may have tax consequences for both your business and your employees. These consequences may relate to, but are not limited to, the use of tax credits, the deductibility of health insurance as a business expense, and the overall tax liability of your individual employees. Each business is different. Therefore, businesses are encouraged to consult their tax professional before making a decision that may affect their business and/or their employees.



FINANCIAL HELP FOR SMALL BUSINESSES



- Tax credit eligibility
 - No more than 25 full-time equivalent employees
 - Average annual wages of less than \$50,000 per full-time equivalent employee
 - Contribute at least 50% to premium costs
- Applies to non-profits, too
- Already in effect – see tax credit calculator on **VermontHealthConnect.gov**
- Speak with your tax professional and visit the IRS website

ACA: EMPLOYER RESPONSIBILITY - 2015



- Starting in 2015, there may be a federal penalty for large employers* that do not provide adequate “affordable” coverage
 - Adequate: Plans pay at least 60% of covered health care expenses
 - Affordable: Employees have to pay no more than 9.5% of W-2 income for the self-only portion of total premiums
- Applicable large employers may be subject to this penalty if they:
 - Have at least one full-time employee who obtains a premium tax credit
 - Do not offer coverage to employees

*IRS definition of large employer differs from rules regarding which businesses qualify to offer employees coverage through Vermont Health Connect.

VT: Employer Assessment

- The Employer Assessment will continue for employers who:
 - Do not offer to pay any part of the costs of health coverage for employees
 - Have employees who are not eligible for employer-sponsored health coverage
 - Offer insurance but employees do not accept coverage and have no other health coverage
- The Assessment is \$119.12 quarterly (\$476.48 annually) for every “uncovered” FTE in excess of four FTEs
- Assessment funding will be used to fund Vermont Health Connect in 2015-2016

Tax Considerations

- Currently, health insurance is likely a pre-tax benefit for your employees
 - If you drop coverage and increase your employees' salary, this may increase what they pay in tax
 - Also, employees will pay with post-tax dollars, essentially increasing their taxable income
- Offering health insurance provides a tax benefit for businesses, but you also deduct wages
- See a tax professional to determine specific impacts

SMALL BUSINESS: PLAN SELECTION

- Employer will have the option of BCBS Menu, MVP Menu, or Full Menu.
- Employer sets contribution amount, employee chooses plan.
- Whichever menu is selected, businesses receive one bill.

Example: MVP Menu

	MVP Plans
Platinum	
Gold	
Silver	
Bronze	

Example: BCBS Menu

	BCBS Plans
Platinum	
Gold	
Silver	
Bronze	

Example: Full Menu

	MVP Plans	BCBS Plans
Platinum		
Gold		
Silver		
Bronze		



Find the plan that's right for you.

Small Business Enrollment Process

ENROLLMENT PROCESS FOR SMALL BUSINESSES



1. Employer Election of Plan & Contribution
2. Employee Open Enrollment Period and Selection
3. Employer Payment of Premium
4. Insurance Company Provides Insurance Cards

EMPLOYER ELECTION PERIOD

- Time period where an employer decides whether or not it will offer coverage
 - If yes, which menu option & how much will you contribute?
- Typically begins 3 months prior to the desired coverage month and employees' open enrollment period
 - For example, October 1st for January 1st coverage



EMPLOYEE OPEN ENROLLMENT PERIOD & SELECTION



Choices:

- Consider employer's offer of coverage
- Consider other offers of coverage (e.g., spouse)
- Determine affordability of employer coverage, consider plan options
- Pick a plan and enroll before the deadline

INITIAL EMPLOYER ELECTION PERIOD

Employer Enrollment Begins	October 1, 2013
Employees Should Select Plan By	November 30, 2013*
Employer Payment Due	December 21, 2013
Coverage Effective	January 1, 2014

*Important because invoice is generated on 1st of each month.

PAYMENT OPTIONS

- ACH (electronic check) – no fee
- Debit and Credit
 - 2.5% surcharge for individuals
 - 4% surcharge for businesses
 - Surcharge figures will be re-evaluated every 6 months
- Paper check – no fee, but processing time is necessary, so enroll early to allow for this
- Payment for January coverage due in December, can be made as early as November

OFF-CALENDAR YEAR ANNIVERSARY DATE

- Short plan years are available to ensure that everyone is on a calendar year by 2015
- Small businesses not currently on a calendar year plan can decide whether to take short year in late 2013 or late 2014



WHAT'S CHANGING FOR 2014?

- Employers will now have a 90-day waiting period maximum;
- No participation requirements;
- If employer offers insurance only to the employee – not allowing couples or families to purchase – then other family members can qualify for financial help as long as eligibility is met.
 - Income for married couples and families will be based on family income on federal tax return, including person covered by the employer's plan, based on federal rules.

Questions to Consider

- Do you offer insurance today?
- How much do you spend today on insurance?
- How much do your employees spend today on insurance?
- Would your employees be better off buying through Vermont Health Connect than under your plan?
- What are the tax consequences for your business?
- What are the tax consequences for your employees?
- Would you be subject to a federal penalty in 2015?
Cost?
- Would you be subject to a state assessment? Cost?



Find the plan that's right for you.

Additional Support

HELPING VERMONTERS GET READY



Online

VermontHealthConnect.gov



By Phone

Customer Support Center now
live



In-Person

Navigator or Broker

HELPING VERMONTERS GET READY: ONLINE RESOURCES



Online
VermontHealthConnect.gov

- Answer questions, use interactive tools, find events, and learn more at www.vermonthealthconnect.gov
- Get updates on Facebook (Vermont Health Connect), @VTHealthConnect (Twitter), and through email newsletter
- Watch educational videos on YouTube channel (VTHealthConnect)

HELPING VERMONTERS GET READY: CALL CENTER



By Phone
Customer Support Center
1-855-899-9600
(toll-free)

- Vermonters-based call center provides assistance to individuals, small business owners and families
- Address issues in real time, open 8am-8pm weekdays and 8am-1pm on Saturdays
- Answer questions and guide consumers through the enrollment process
- Small business hotline – 1-855-499-9800 (toll-free)

HELPING VERMONTERS GET READY: NAVIGATORS

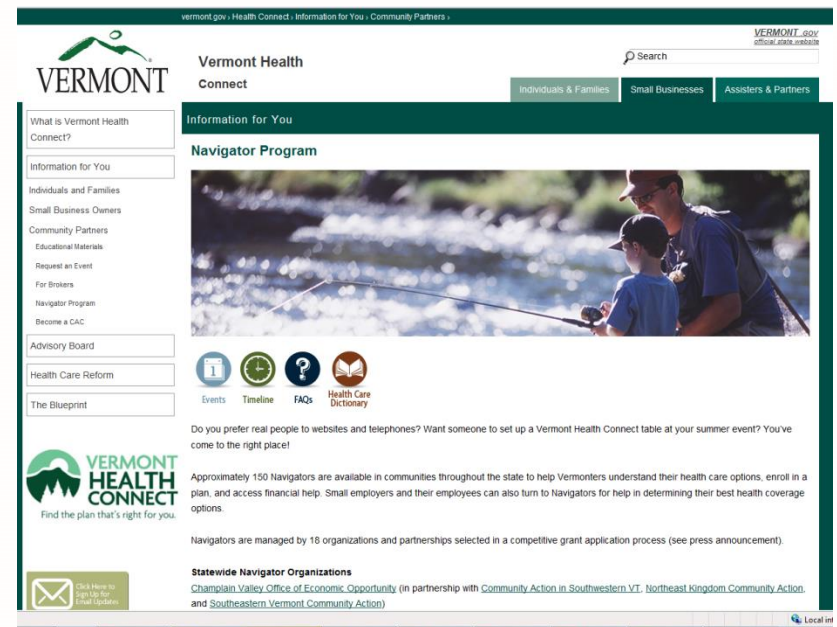


In-Person
Navigator or Broker

- Navigators are educating and supporting individuals and small businesses across the state.
- 18 Navigator organizations + Blueprint for Health teams
- Many are partnerships and/or include multiple sites.
- Trained and certified to provide direct assistance to individuals, families and small businesses.

HELPING VERMONTERS GET READY

- Full list of Brokers, Navigators, and CACs coming October 1.
- Navigator Organization links and contact info available on VermontHealthConnect.gov now



CONTACT US

EMAIL

vthealthconnect@state.vt.us

WEBSITE

www.VermontHealthConnect.gov

FACEBOOK

facebook.com/VermontHealthConnect



TWITTER

twitter.com/vthealthconnect

